

OSTER
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12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

19740-C

DEC 29 1995 10:00 AM

December 29, 1995

Mr. Vernon Williams
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Interstate Commerce Commission is Schedule No. 2 dated 12/22/95 to a Railcar Lease Agreement between NorRail, Inc. as Lessor and Dakota, Minnesota & Eastern Railroad Corporation as Lessee.

The equipment involved in this transaction includes:

47, Covered Hoppers
DME 52016-52148, NI

Prior Numbers: NW 172003-17366, NI

Please record this document as a secondary agreement to ICC Recordation #19740. The filing fee of \$21 is enclosed. Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosure

Counterpart - Mary Ann Oster

NorRail, Inc.

308 12th Avenue South
Buffalo, MN 55313

SCHEDULE TO LEASE AGREEMENT
(EQUIPMENT)
NorRail, Inc. - Lessor
308 12th Avenue South
Buffalo, Minnesota 55313

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DEC 2 1995 10:00 AM

LESSEE: Dakota, Minnesota & Eastern Railroad Corporation

LEASE NO: 1636

SCHEDULE NO. 2

EQUIPMENT

See Schedule "A" attached hereto and made a part hereof.

Lessor and Lessee agree that, with respect to all Equipment leased by Lessee pursuant to this Schedule No. 2, they will set forth their agreements relating to the amount and payment of rent and Stipulated Loss Values in a separate rent agreement dated as of December 22, 1995 (the "Rent Agreement") entered into contemporaneously with this Schedule. Accordingly, Lessor and Lessee hereby agree that the following terms shall be as defined in the Rent Agreement and shall be deemed incorporated by reference in this Schedule with the same force and effect as if set forth in full herein: Total Cost of Equipment, Initial Term of Lease, Rental Payment Due Date, Total Number of Rent Payments and Stipulated Loss Values. In addition, Lessor and Lessee agree that all other terms and conditions set forth in the Rent Agreement shall be deemed to be incorporated herein by reference with the same force and effect as if set forth in full herein.

Equipment will be delivered to Lessee at Waseca, Minnesota

Freight and associated charges From Des Moines, Iowa to Waseca, Minnesota for the account of Dakota, Minnesota & Eastern Railroad Corporation

Reporting marks Dakota, Minnesota & Eastern Railroad Corporation, at their expense, will remark Equipment to DM&E marks and remove any marking referring to Norfolk & Western or Norfolk Southern.

Security Deposit; \$ _____ to be applied; _____

Purchase Option _____

Rent Payments shall commence upon Lessee's acceptance of the Equipment and shall be made on each Rent Payment Due Date thereafter until the Total Number of Rent Payments has been made.

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described above on the terms and conditions set forth above and pursuant to and subject to all terms and conditions of the Lease Agreement between Lessor and Lessee dated November 15, 1995.

ACCEPTED

DATED AS OF: December 22, 1995

NorRail, Inc.

(LESSOR)

By

[Signature]
(Signature)

Title

Vice President, Marketing

Dakota, Minnesota & Eastern Railroad Corporation

(NAME OF LESSEE)

By

[Signature]
(Signature)

Title

CFO

(If Required)

And By

(Signature)

Title

Exhibit A 1 of 2

**DM&E Schedule #2
Contract #1636
Dated 11-15-95**

Old Number	New Number
NW 172003	DME 52016
NW 172005	DME 52017
NW 172008	DME 52018
NW 172013	DME 52019
NW 172017	DME 52021
NW 172027	DME 52025
NW 172034	DME 52028
NW 172041	DME 52030
NW 172048	DME 52032
NW 172049	DME 52033
NW 172056	DME 52035
NW 172063	DME 52037
NW 172065	DME 52039
NW 172077	DME 52042
NW 172092	DME 52047
NW 172121	DME 52059
NW 172126	DME 52061
NW 172151	DME 52067
NW 172154	DME 52069
NW 172165	DME 52073
NW 172185	DME 52078
NW 172186	DME 52079
NW 172196	DME 52080
NW 172199	DME 52082
NW 172215	DME 52085

Exhibit A 2 of 2

DM&E Schedule #2

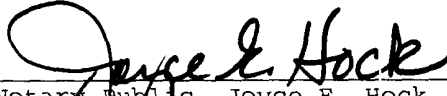
Contract #1636

Dated 11-15-95

Old Number	New Number
NW 172228	DME 52092
NW 172233	DME 52093
NW 172234	DME 52094
NW 172236	DME 52095
NW 172251	DME 52102
NW 172255	DME 52105
NW 172267	DME 52113
NW 172273	DME 52116
NW 172276	DME 52117
NW 172281	DME 52119
NW 172286	DME 52121
NW 172287	DME 52122
NW 172296	DME 52126
NW 172313	DME 52130
NW 172315	DME 52131
NW 172319	DME 52132
NW 172321	DME 52133
NW 172333	DME 52138
NW 172336	DME 52139
NW 172343	DME 52141
NW 172360	DME 52147
NW 172366	DME 52148

STATE OF SOUTH DAKOTA)
) ss.
COUNTY OF BROOKINGS)

SUBSCRIBED AND SWORN TO before me by Kurt V. Feaster, Chief Financial Officer of the Dakota, Minnesota & Eastern Railroad Corporation on this the 22nd day of December, 1995.



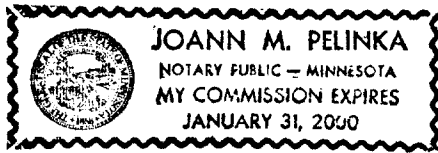
Notary Public, Joyce E. Hock
My Commission Expires:
May 6, 2002

(SEAL)



STATE OF MINNESOTA)
) ss.
COUNTY OF WRIGHT)

SUBSCRIBED AND SWORN TO before me by L. Lee Struble, Vice President,
Marketing of NorRail, Inc. on this the 22nd day of December, 1995.



(SEAL)

JoAnn M. Pelinka
Notary Public, JoAnn M. Pelinka
My Commission Expires:
January 31, 2000